

ORIGINAL

OPEN MEETING AGENDA ITEM  
CLEAR SPRINGS UTILITY COMPANY, INC. - WATER



0000028024

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January 11, 2006

Arizona Corporation Commission  
Utilities Division  
1200 W. Washington  
Phoenix, AZ 85007

Attn: Ms. Jane Rodda, Hearing Officer

Re: Docket No. W-01689A-05-0629

Dear Ms. Rodda;

We at Clear Springs Utility Company - Water Division (CSU-W) would like to take exception to the Staff Report as filed. An exception letter regarding the reduction of the amount of the Water Infrastructure Finance Authority (WIFA) loan was mailed January 4, 2006 to Staff through Docket Control.

We feel that the amount loaned by E.H. Lewis, Owner of CSU-W, should be allowed to be recovered through the (WIFA) loan as requested.

The amount loaned to the Company by Mr. Lewis was essential, in that, there were repairs and upgrades needed to serve new business customers in our service area. Had the Company not been able to borrow the money from Mr. Lewis it would have had to borrow from an outside source at a much higher interest rate.

The Company has not been able to repay the loan to Mr. Lewis and continues to operate on a very tight budget making it impossible to get ahead or maintain an equitable rate of return. It is evident that the Company continues to struggle from year to year.

In addition, the Company would like to also take exception to the Commodity Charge for Bulk Water Sales being lowered from \$4.00 to \$2.25 per 1,000 gallon. The company did not ask for an increase as it thought this was a fair rate for bulk water and was approved per Decision No. 62583 effective June 1, 2000.

Thank you in advance for your consideration in this matter.

Sincerely,

Bonnie O'Connor  
for  
E.H. Lewis, Owner

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